

The Valuing Accounting Network

The purpose of the Value Accounting Network is to advance the role of value accounting in decision-making, governance, and disclosure. To achieve this the members of the Value Accounting Network, collaborate and build consistency in what value accounting is, and how it is applied.



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Agreed statements of commonality

1. We firmly believe it is vital for businesses, finance, and governments to base decisions on value accounting.
2. We aim to modernize accounting to transform governance practices, decision making, and reporting.
3. We believe that we need generally accepted principles to account for value.
4. We believe that integrated thinking, and a holistic systems-based approach is essential.
5. We embrace and support the concept of 'capital' reflecting stocks that can change over time and that underpin increasing or decreasing flows of benefits to people, communities, the environment, and the economy.
6. We recognize the importance of accounting for holistic value creation, the value of impacts and dependencies on different capitals.
7. We recognize that the value to society (inside-out) and value to the entity (outside-in) are both essential to assess and report value.
8. We believe that the trade-offs between capitals and between stakeholders must be specified and addressed in decision making.
9. We recognize the importance of existing efforts, and we are building on the standards, frameworks and definitions that have already been agreed.

Value accounting is defined by the Network as:

The collection, calibration, and use of information about the relative value that an organization creates, preserves, or erodes for its stakeholders, using common units.

This information is used when making decisions for a variety of purposes.

The term value accounting encompasses impact measurement and valuation, capitals assessments and accounting, valuation, context driven information and other approaches that you may have heard of such as true price or true cost accounting.

What the network will achieve

The Value Accounting Network will meet at regular intervals to develop a program of work that will:

- Clearly display how the various initiatives relate to and complement one another.
- Progressively build consistency in how value is reflected and support the role of audit and assurance, in holding decision makers to account.
- Support and communicate individual advances made by parts of this community towards greater application.
- Continue to explore developments in value-based initiatives, build on each other's work and harmonize terminology, measurements and boundaries, classifications, parameters, techniques, and value coefficients.

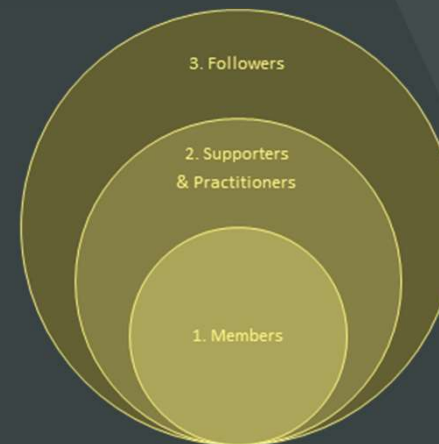
Get involved

If you would like to find out how the initiatives referenced here may be able to help you or would like to know more about the Value Accounting Network, then please contact: info@capitalscoalition.org.

There is an opportunity for everyone to be involved, whether it is in the regular monthly meetings, as a supporter or practitioner, or as a follower, on a watching brief.

To join the members group (1) and attend the regular monthly meetings, you must:

- Have published a methodology/guidance/standard based on value accounting
- Support our shared purpose to advance value accounting
- Be willing to work collaboratively and share progress



Transformation

There has been much work to prepare the groundwork. We are now in a period of accelerating the transition, and standardizing the approaches that are taken.

In the first phase the approach was based around 'we could', and we are now moving into 'we should' and then 'we must' include the all value in decision-making.

